



Patrick W. Henning, Director
July 22, 2008
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Arnold Schwarzenegger
Governor

Ms. Verna Lewis, Executive Director
Kern/Inyo/Mono Employers' Training Resource
2001 28th Street
Bakersfield, CA 93301

Dear Ms. Lewis:

WORKFORCE INVESTMENT ACT
FISCAL AND PROCUREMENT REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2007-08

This is to inform you of the results of our review for Program Year (PY) 2007-08 of the Kern/Inyo/Mono Employers' Training Resource (KIM/ETR) Workforce Investment Act (WIA) grant financial management and procurement systems. This review was conducted by Ms. Stacy Corrales from June 23, 2008 through June 27, 2008. For the fiscal portion of the review, we focused on the following areas: fiscal policies and procedures, accounting system, reporting, program income, expenditures, internal control, allowable costs, cash management, cost allocation, indirect costs, fiscal monitoring of subrecipients, single audit and audit resolution policies and procedures for its subrecipients and written internal management procedures. For the procurement portion of the review, we examined procurement policies and procedures, methods of procurement, procurement competition and selection of service providers, cost and price analyses, contract terms and agreements, and property management.

Our review was conducted under the authority of Section 667.410(b)(1), (2) & (3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by KIM/ETR with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding financial management and procurement for PY 2007-08.

We collected the information for this report through interviews with representatives of KIM/ETR, a review of applicable policies and procedures, and a review of

documentation retained by KIM/ETR for a sample of expenditures and procurements for PY 2007-08.

BACKGROUND

The KIM/ETR was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2007-08, KIM/ETR was allocated: \$3,877,689 to serve 812 adult participants; \$4,127,329 to serve 1,350 youth participants; and \$2,933,877 to serve 533 dislocated worker participants.

For the quarter ending March 31, 2008, KIM/ETR reported the following expenditures and enrollments for its WIA programs: \$2,405,674 to serve 740 adult participants; \$1,790,770 to serve 1,313 youth participants; and \$1,265,275 to serve 516 dislocated worker participants.

FISCAL REVIEW RESULTS

We conclude that, overall, KIM/ETR is meeting applicable WIA requirements concerning financial management.

PROCUREMENT REVIEW RESULTS

We conclude that, overall, KIM/ETR is meeting applicable WIA requirements concerning procurement.

This report contains no findings or concerns; therefore, we are issuing this report as the final report.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all the areas included in our review. It is KIM/ETR's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain KIM/ETR's responsibility.

Ms. Verna Lewis

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July 22, 2008

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Mr. Jim Tremblay at (916) 654-7825 or Ms. Stacy Corrales at (916) 653-6123.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Mar", written in a cursive style.

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Division

cc: Shelly Green, MIC 45
Jose Luis Marquez, MIC 50
Don Migge, MIC 50
Lydia Rios, MIC 50